

Company number. 08293976

THE COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

- of -

NEIGHBOURLY LIMITED  
(the "Company")

FRIDAY



A14 19/07/2013 #213  
COMPANIES HOUSE

22 March 2013 (the "Circulation Date")

Pursuant to chapter 2 of part 13 of the Companies Act 2006, the directors of the Company propose that

- (a) resolutions 2 and 3 below are passed as ordinary resolutions, and
- (b) resolutions 1, 4 and 5 below are passed as special resolutions,

(all together the "Resolutions")

SPECIAL RESOLUTION

1 That

- (a) each of the existing ordinary shares of £1 each in the capital of the Company be subdivided into 200 ordinary shares of £0.005 each, and
- (b) 500 of the resulting ordinary shares of £0.005 held by each of the two existing shareholders, (representing an aggregate of 1000 such shares) be reclassified as deferred shares of £0.005 each having the rights set out in the articles of association adopted pursuant to resolution 4 below,
- (c) the remaining ordinary shares of £0.005 each held by the two existing shareholders, Nick Davies and Johanna Davies, be classified as A Ordinary Shares of £0.005 each having the rights set out in the articles of association adopted pursuant to resolution 4 below

ORDINARY RESOLUTIONS

2 That the directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company, up to a maximum aggregate nominal amount of £76, provided that

- (i) the authority granted under this resolution shall expire five years after the passing of this resolution, and
- (ii) the Company may, before such expiry under paragraph (i) above of this resolution, make an offer or agreement which would require shares to

be allotted or rights to subscribe for or to convert any security into shares to be granted after such expiry and the directors may allot such shares or grant such rights (as the case may be) in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired

- 3 That the authorisation of conflicts of interests may be given by the directors in accordance with section 175(5)(a) of the 2006 Act (the "**Conflicts Resolution**")

### **SPECIAL RESOLUTIONS**

- 4 That the articles of association in the form attached to the written resolutions be approved and adopted as the new articles of association of the Company (the "**New Articles**") in substitution for and to the entire exclusion of the existing articles of association
- 5 That, subject to the passing of resolution 2 above, the directors be generally empowered pursuant to section 570 of the Companies Act 2006 (the "**Act**") to allot equity securities pursuant to the authority conferred by resolution 1 above as if section 561 of the Act and any rights of pre-emption (however expressed) contained in the articles of association of the company did not apply to any such allotment (the expression "equity securities" and references to the allotment of "equity securities" bearing the same respective meanings in this resolution as in section 560 of the Act)

### **AGREEMENT**

Please read the notes at the end of this document before signifying your agreement to any of the Resolutions

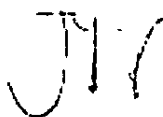
The undersigned, being a member of the Company entitled to vote on the Resolutions on the Circulation Date, hereby irrevocably agrees to the Resolutions



Signed

Name NICHOLAS DAVIES

Date 22<sup>nd</sup> MARCH 2013



Signed

Name JOHANNA DAVIES

Date 22<sup>nd</sup> MARCH 2013

## NOTES

- 1 You can choose to agree to all of the Resolutions or none of them but you cannot agree to only some of the Resolutions. If you agree to all of the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods

- (a) **by hand** delivering the signed copy to Nick Davies at Innovation Centre, Broad Quay, Bath BA1 1UD, or
- (b) **by post** returning the signed copy by post to Nick Davies at Innovation Centre, Broad Quay, Bath BA1 1UD

The Company cannot accept agreements to the Resolutions which are sent by fax, email or another electronic means

If you do not agree to the Resolutions, you do not need to do anything. You will not be deemed to agree if you fail to reply.

- 2 Once you have indicated your agreement to a Resolution, you may not revoke your agreement.
- 3 Unless, by 28 days after the Circulation Date, sufficient agreement has been received from the required majority of eligible members for a Resolution to be passed, it will lapse. If you agree to any or all of the Resolutions, please ensure that your agreement reaches us on or before this date.
- 4 If you are signing this document on behalf of a person under a power of attorney or other authority, please send a copy of the relevant power of attorney or authority when returning this document.

DATED

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**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**NEW**

**ARTICLES OF ASSOCIATION**

**of**

**NEIGHBOURLY LIMITED**  
**(the "Company")**

(Adopted by a special resolution passed on 22 March 2013)

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5 New Street Square | London EC4A 3TW  
Tel +44 (0)20 7300 7000  
Fax +44 (0)20 7300 7100  
DX 41 London  
[www.taylorwessing.com](http://www.taylorwessing.com)

**TaylorWessing**

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**

**NEW**  
**ARTICLES OF ASSOCIATION**  
**of**  
**NEIGHBOURLY LIMITED**  
**(the "Company")**

(Adopted by a special resolution passed on 22 March 2013)

**1. Introduction**

- 1 1 The model articles for private companies limited by shares contained or incorporated in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these articles (the "**Model Articles**") shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles
- 1 2 In these Articles and the Model Articles any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force
- 1 3 In these Articles article headings are used for convenience only and shall not affect the construction or interpretation of these Articles

**2. Defined terms**

- 2 1 In these Articles the following words and expressions shall have the following meanings

"**A Director**" means any director appointed by the holders of the A Ordinary Shares from time to time under the provisions of Article 5,

"**A Ordinary Shares**" means the A Ordinary Shares of £0 005 each in the capital of the Company from time to time,

"**Act**" means the Companies Act 2006 (as amended from time to time),

"**Acting in Concert**" has the meaning given to it in The City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time),

"**Auditors**" means the auditors of the Company from time to time,

"**B Ordinary Shares**" means the B Ordinary Shares of £0 005 each in the capital of the Company from time to time,

**"Board"** means the board of Directors and any committee of the board constituted for the purpose of taking any action or decision contemplated by these Articles,

**"Business Day"** means a day on which English clearing banks are ordinarily open for the transaction of normal banking business in the City of London (other than a Saturday or Sunday),

**"Civil Partner"** means in relation to a Shareholder, a civil partner (as defined in the Civil Partnership Act 2004) of the Shareholder,

**"Date of Adoption"** means the date on which these Articles were adopted,

**"Deferred Shares"** means deferred shares of £0.005 each in the capital of the Company,

**"Director(s)"** means a director or directors of the Company from time to time,

**"Employee"** means an individual who is employed by or who provides consultancy services to, the Company or any member of the Group,

**"Encumbrance"** means any mortgage, charge, security, interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including without limitation any retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected other than liens arising by operation of law),

**"Fair Value"** is as determined in accordance with Article 12.3,

**"Family Trusts"** means trust(s) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than a Shareholder who is an individual and/or Privileged Relations of that individual,

**"Founders"** means Johanna Davies and Nick Davies,

**"Group"** means the Company and its subsidiary undertaking(s) (if any) from time to time,

**"Investors"** means the holders of B Ordinary Shares and their Permitted Transferees,

**"a Member of the same Fund Group"** means if the Shareholder is a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager (an **"Investment Fund"**) or a nominee of that person

- (a) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund (but only in connection with the dissolution of the Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business),
- (b) any Investment Fund managed by that Fund Manager,
- (c) any parent undertaking or subsidiary undertaking of that Fund Manager, or any subsidiary undertaking of any parent undertaking of that Fund Manager, or
- (d) any trustee, nominee or custodian of such Investment Fund and vice versa,

**"a Member of the same Group"** means as regards any company, a company which is from time to time a parent undertaking or a subsidiary undertaking of that company or a subsidiary undertaking of any such parent undertaking,

**"New Securities"** means any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company after the Date of Adoption,

**"Permitted Transfer"** means a transfer of Shares in accordance with Article 10,

**"Permitted Transferee"** means

- (a) in relation to a Shareholder who is an individual, any of his Privileged Relations, Trustees or Qualifying Company,
- (b) in relation to a Shareholder which is an undertaking means any Member of the same Group,
- (c) in relation to a Shareholder which is an Investment Fund means any Member of the same Fund Group,

**"Privileged Relation"** in relation to a Shareholder who is an individual member or deceased or former member means a spouse, Civil Partner, child or grandchild (including step or adopted or illegitimate child and their issue),

**"Qualifying Company"** means a company in which a Shareholder or Trustee(s) hold the whole of the share capital and which they control,

**"Shareholder"** means any holder of any Shares,

**"Shares"** means the A Ordinary Shares and the B Ordinary Shares,

**"Transfer Notice"** shall have the meaning given in Article 11,

**"Trustees"** means the trustee(s) of a Family Trust

### **3. Share Capital**

- 3 1 In these Articles, unless the context requires otherwise, references to shares of a particular class shall include shares allotted and/or issued after the Date of Adoption and ranking *pari passu* in all respects (or in all respects except only as to the date from which those shares rank for dividend) with the shares of the relevant class then in issue
- 3 2 Except as otherwise provided in these Articles, the A Ordinary Shares and the B Ordinary Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares
- 3 3 Whenever as a result of a consolidation of Shares any Shareholders would become entitled to fractions of a Share, the Directors may, on behalf of those Shareholders, sell the Shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net Proceeds of Sale in due proportion among those Shareholders, and the Directors may authorise some person to execute an instrument of transfer of the Shares to, or in accordance with the direction of the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale

3 4 When the company sub-divides or consolidates all or an of its Shares, the Company may, subject to the Act and to these Articles, by ordinary resolution determine that, as between the Shares resulting from the sub-division or consolidation, any of them may have any preference or advantage or be subject to any restriction as compares with the others

3 5 In article 25(2) of the Model Articles, the words "payment of a reasonable fee as the directors decide" in paragraph (c) shall be deleted and replaced by words "payment of the expenses reasonably incurred by the Company in investigation evidence as the directors may determine"

#### **4. Proceedings of Directors**

4 1 The quorum for Directors' meetings shall be two Directors Article 11(2) of the Model Articles shall not apply to the Company

4 2 For the purposes of any meeting (or part of a meeting) held in accordance with Article 5 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for that meeting (or part of a meeting) is one eligible director

#### **5. Appointment of the A Director**

The holder or holders for the time being of the majority of the issued A Ordinary Shares shall be entitled to appoint one person as the A Director of the Company and to remove from office the A Director so appointed and to appoint another person in the place of the person who shall have been so removed or shall have ceased for any reason to be the A Director

#### **6. Alternate Directors**

Articles 15 and 25 to 27 of the model articles for public companies limited by shares contained in Schedule 3 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) shall apply to the Company

#### **7. Directors' interests**

7 1 Subject to the provisions of the Act, and provided that he has declared to the Directors the nature and extent of his interest, a Director may vote at a meeting of the Directors or of a committee of the Directors on any resolution concerning a matter in which he has an interest, whether a direct or an indirect interest, or in relation to which he has a duty and shall also be counted in reckoning whether a quorum is present at such a meeting Article 14 of the Model Articles shall not apply to the Company

7 2 Subject to the provisions of the Act, and provided that he has declared to the Directors the nature and extent of his interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind

(a) where a Director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested,



- (b) where a Director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested,
- (c) where a Director (or a person connected with him) is a shareholder in the Company or a shareholder in, employee, director, member or other officer of, or consultant to, a parent undertaking of, or a subsidiary undertaking of a parent undertaking of, the Company,
- (d) where a Director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or body corporate in which the Company is in any way interested,
- (e) where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested, or
- (f) where a Director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this

## 8. Allotment of new shares or other securities' pre-emption

- 8 1 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act do not apply to an allotment of equity securities made by the Company
- 8 2 Unless otherwise determined by special resolution, any New Securities shall, before they are allotted or granted on any terms, be first offered by the Company in writing to each Shareholder (but not to a holder of Deferred Shares in his capacity as such) by
  - (a) giving details of the number and subscription price of the New Securities,
  - (b) inviting him to apply for the New Securities at the subscription price (being on no less favourable terms),
  - (c) stating that he will have a period of at least 14 days from the date of the notice in which to apply,
  - (d) stating that, if there is competition among the Shareholders for the New Securities, the New Securities will be allocated to him in proportion (as nearly as may be) to his existing holdings of Shares (his "**Proportionate Allocation**"),
  - (e) inviting him to indicate if he is willing to purchase New Securities in excess of his Proportionate Allocation ("**Extra Securities**") and, if so, the number of Extra Securities
- 8 3 On expiry of an offer made in accordance with Article 8 2 (or sooner if applications or refusals have been received from all Shareholders and all requisite approvals have been given), the Company shall allot or grant (as the case may be) the New Securities as follows

- (a) if the total number of New Securities applied for is equal to or less than the New Securities offered, each Shareholder shall be allocated the number applied for by him, or
- (b) if the total number of New Securities applied for is more than the New Securities offered, each Shareholder shall be allocated his Proportionate Allocation or, if less, the number of New Securities for which he has applied, and
- (c) applications for Extra Securities shall be allocated in accordance with such applications or, in the event of competition, among those Shareholders applying for Extra Securities in proportion to their Proportionate Allocations but so that no applicant shall be allocated more Extra Securities than he has applied for and so that if there is a surplus further allocations shall be made on the same basis (and if necessary more than once) until all New Securities have been allocated,
- (d) fractional entitlements shall be rounded to the nearest whole number,

following which the Directors may, subject to these Articles and the Act, allot or grant (as the case may be) such New Securities as have not been taken up in such manner as they think fit, but on no less favourable terms

- 8 4 No Shares shall be allotted to any Employee, Director, prospective Employee or prospective director of the Company who in the opinion of the Board is subject to taxation in the United Kingdom, unless such person has entered into a joint section 431 Income Tax (Earnings and Pensions) Act 2003 election with the Company if so required by the Company

## **9. Transfers of Shares – general**

- 9 1 Reference to the transfer of a Share in these Articles includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or Encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share
- 9 2 If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these Articles he will be deemed immediately to have served a Transfer Notice in respect of all Shares held by him
- 9 3 The Directors may refuse to register a transfer of a Share if
- (a) a Shareholder transfers a Share other than in accordance with these Articles, or
  - (b) the transfer is to an Employee, Director or prospective Employee or prospective director of the Company and such person has not entered into a joint section 431 ITEPA election with the Company

Article 26(5) of the Model Articles shall be modified accordingly

- 9 4 The Directors may, as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' agreement in force between some or all of the Shareholders and the Company

9 5 Articles 27 to 29 of the Model Articles regarding transmission of shares shall not apply to the Company

9 6 Any transfer of a Share by way of sale which is required to be made under Articles 11 to 15 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee

## 10. Permitted Transfers

10 1 A Shareholder (the "**Original Shareholder**") may transfer all or any of his or its Shares to a Permitted Transferee without restriction as to price or otherwise

10 2 Shares previously transferred as permitted by Article 10 1 may be transferred by the transferee to the Original Shareholder or any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise

10 3 Where, upon death of a Shareholder, the persons legally or beneficially entitled to any Shares are Permitted Transferees of that deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees without restriction as to price or otherwise

10 4 The Board may agree to a transfer of any Shares being effected as a Permitted Transfer

## 11. Transfers of Shares subject to pre-emption rights

11 1 Save where the provisions of Articles 10, 14 and 15 apply, a Shareholder who wishes to transfer Shares (a "**Seller**") shall give notice in writing (which cannot be withdrawn save with the consent of the Board) (a "**Transfer Notice**") to the Company (constituting the Company the agent of the Seller) specifying

- (a) the number of Shares which he wishes to transfer (the "**Sale Shares**"),
- (b) if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee, and
- (c) the price at which he wishes to transfer the Sale Shares (which will be deemed to be Fair Value of the Sale Shares if no price is agreed between the Seller and the Board (the "**Transfer Price**"))

If a Shareholder is deemed to have given a Transfer Notice, the price at which he is to transfer the Sale Shares (being in this case the Transfer Price) shall be agreed between such Shareholder and the Board and failing such agreement such price will be deemed to be the Fair Value of such Shares

11 2 As soon as practicable following the receipt of a Transfer Notice (or, in the case where the Transfer Price has not been agreed, the determination of the Transfer Price under Article 12), the Company shall give notice in writing to each Shareholder (other than the Seller and not to any holder of Deferred Shares in his capacity as such) (each an "**Eligible Shareholder**")

- (i) inviting him to apply for the Sale Shares at the Transfer Price,
- (ii) stating that he will have a period of at least 14 days from the date of the notice in which to apply,

- (iii) stating that the Sale Shares shall be offered to each Eligible Shareholder and if there is competition among the Eligible Shareholders for the Sale Shares within a class of Shares, the Sale Shares will be allocated to him in proportion (as nearly as may be) to his existing holdings of such class of Shares (his "**Proportionate Allocation**"),
- (iv) inviting him to indicate if he is willing to purchase Sale Shares in excess of his Proportionate Allocation ("**Extra Shares**") and, if so, the number of Extra Shares

11 3 On expiry of an offer made in accordance with Article 11 2 (or sooner if applications or refusals have been received from all Eligible Shareholders), the Company shall allocate the Sale Shares as follows

- (a) if the total number of Sale Shares applied for is equal to or less than the number of Sale Shares, each Eligible Shareholder of that class of Shares shall be allocated the number applied for by him, or
- (b) if the total number of Sale Shares applied for is more than the available number of Sale Shares, each Eligible Shareholder of that class of Shares shall be allocated his Proportionate Allocation or, if less, the number of Sale Shares for which he has applied, and
- (c) applications for Extra Shares shall be allocated in accordance with such applications or, in the event of competition, among those Shareholders of that class of Shares applying for Extra Shares in proportion to their Proportionate Allocations but so that no applicant shall be allocated more Extra Shares than he has applied for and so that if there is a surplus further allocations shall be made on the same basis (and if necessary more than once) until all Shares have been allocated,
- (d) fractional entitlements shall be rounded to the nearest whole number,

11 4 The Company shall give written notice of allocation (an "**Allocation Notice**") to the Seller which shall specify the number of Sale Shares to be allocated to each applicant and the place and time (being not less than 7 nor more than 14 days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares

11 5 On service of an Allocation Notice, the Seller shall, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it

11 6 If the Seller fails to comply with the provisions of Article 11 5

- (a) the chairman of the Directors or, failing him, one of the Directors, or some other person nominated by a resolution of the Board, may on behalf of the Seller
  - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the applicants,
  - (ii) receive the transfer price and give a good discharge for it and (subject to the transfer being duly stamped) enter each applicant in the register of members as the holders of the Sale Shares allocated to him, and
- (b) the Company shall pay the transfer price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered to the Company his certificate(s) for the relevant Shares (or a suitable indemnity)

- 11 7 If an Allocation Notice does not relate to all the Sale Shares then, subject to Article 11 8, the Seller may, within eight weeks after service of the Allocation Notice, transfer the unsold Sale Shares not included within the Allocation Notice to any person at a price at least equal to the Transfer Price
- 11 8 The right of the Seller to transfer Shares under Article 11 7 does not apply if the Board is of the opinion on reasonable grounds that
- (a) the transferee is a person (or a nominee for a person) who is a competitor with (or an associate (as determined in accordance with section 435 of the Insolvency Act 1986) of a competitor with) the business of the Company or with a subsidiary undertaking of the Company,
  - (b) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee, or
  - (c) the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above
- 11 9 Any Sale Shares offered under this Article 11 to an Investor may be accepted in full or part only by a Member of the same Fund Group as that Investor in accordance with the terms of this Article 11

## **12. Valuation of Shares**

- 12 1 If no price is agreed between the Seller and the Board then, upon service of the Transfer Notice the Board shall appoint an expert valuer in accordance with Article 12 2 (the "Expert Valuer") to certify the Fair Value of the Sale Shares or if the Fair Value has been certified by Expert Valuer within the preceding 12 weeks, such certified Fair Value shall apply
- 12 2 The Expert Valuer will be the Auditors unless this is not agreed by the Seller and the Board in which case it will be an independent firm of Chartered Accountants to be agreed between the Board and the Seller or failing agreement within 10 Business Days after the date of service of the Transfer Notice to be nominated by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party and appointed by the Company
- 12 3 The "Fair Value" of the Sale Shares shall be determined by the Expert Valuer on the following assumptions and bases
- (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer,
  - (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so,
  - (c) that the Sale Shares are capable of being transferred without restriction,
  - (d) valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent, and
  - (e) reflect any other factors which the Expert Valuer reasonably believe should be taken into account

- 12 4 The Expert Valuer shall be requested to determine the Fair Value within 20 Business Days of its appointment and to notify the Board and the Seller of its determination. The Expert Valuer shall act as experts and not as arbitrators and its determination shall be final and binding on the parties (in the absence of fraud or manifest error)
- 12 5 The cost of obtaining the certificate shall be paid by the Company unless the Sale Price certified by the Expert Valuer is less than the price (if any) offered by the Directors to the Seller for the Sale Share before Expert Valuer was instructed in which case the Seller shall bear the cost

**13. Compulsory transfers – general**

- 13 1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder shall be deemed to have given a Transfer Notice in respect of that Share at a time determined by the Directors
- 13 2 If a Shareholder which is a company, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets, the relevant Shareholder (and all its Permitted Transferees) shall be deemed to have given a Transfer Notice in respect of all the Shares held by the relevant Shareholder and its Permitted Transferees save to the extent that, and at a time, the Directors may determine
- 13 3 If a Permitted Transferee ceases to be a Permitted Transferee of the Original Shareholder, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or another Permitted Transferee of the Original Shareholder without restriction as to price or otherwise, failing which it will be deemed to have given a Transfer Notice in respect of those Shares
- 13 4 On the bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within five Business Days after the date of the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder (if not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within five Business Days of such period or if the Original Shareholder is bankrupt or is in liquidation, administration or administrative receivership, the trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice
- 13 5 If a Share remains registered in the name of a deceased Shareholder for longer than one year after the date of his death the Directors may require the legal personal representatives of that deceased Shareholder either
- (a) to effect a Permitted Transfer of such Shares (including for this purpose an election to be registered in respect of the Permitted Transfer), or
  - (b) to show to the satisfaction of the Directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased Shareholder

If either requirement in this Article 13 5 shall not be fulfilled to the satisfaction of the Directors a Transfer Notice shall be deemed to have been given in respect of each such Share save to the extent that, the Directors may otherwise determine

- 13 6 If there is a change in control (as control is defined in section 1124 of the Corporation Tax Act 2010) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of any Permitted Transferee and/or nominee) a Transfer Notice in respect of all the Shares registered in its, its Permitted Transferee name and their respective nominees' names save that, in the case of the Permitted Transferee, it shall first be permitted to transfer those Shares back to the Original Shareholder from whom it received its Shares or to any other Permitted Transferee of the Original Shareholder before being required to serve a Transfer Notice This Article 13 6 shall not apply to a member that is an Investor

#### 14. Tag-along

- 14 1 No transfer (other than a Permitted Transfer) of 51% or more of the Shares (a **"Proposed Sale"**) may be registered unless a Shareholder (a **"Selling Member"**) shall have observed the following procedures of this Article
- 14 2 The Selling Shareholder shall give to each other Shareholder not less than 5 Business Days' notice in advance of the completion of a proposed sale (a **"Tag Along Notice"**) The Tag Along Notice shall specify
- (a) the identity of the proposed purchaser (the **"Buyer"**),
  - (b) the price per share which the Buyer is proposing to pay,
  - (c) the manner in which the consideration is to be paid,
  - (d) the number of Shares which the Selling Member proposes to sell, and
  - (e) the address where the counter-notice should be sent
- 14 3 Each other Shareholders (a **"Tag Seller"**) shall be entitled by written notice to give to the Selling Member within 5 Business Days of receipt of the Tag Along Notice to sell all of his Shares to the Buyer on the same terms, including as to price per Share and timing as to completion, as apply to the Selling Member as set out in the Tag Along Notice
- 14 4 Each Tag Seller will be required, in order to sell his Shares as part of a Proposed Sale, to transfer the legal and beneficial title to his Shares together with all rights attaching to them, with full title guarantee and free from all encumbrances and third party rights

#### 15. Drag-along

- 15 1 If the holders of 51% or more of the Shares (the **"Selling Shareholders"**) wish to transfer all their interest in Shares (the **"Sellers' Shares"**) to a proposed purchaser who has made an offer on arm's length (the **"Proposed Purchaser"**), the Selling Shareholders shall have the option (the **"Drag Along Option"**) to require all the other holders of Shares (the **"Called Shareholders"**) to sell and transfer all their Shares (the **"Called Shares"**) to the Proposed Purchaser or as the Proposed Purchaser shall direct in accordance with the provisions of this Article 15

- 15 2 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a "**Drag Along Notice**") to the Company (which the Company shall immediately send to the Called Shareholders) at any time before the transfer of the Sellers' Shares to the Proposed Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Called Shares under this Article 15, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article 15) and the proposed date of transfer.
- 15 3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Proposed Purchaser within 40 Business Days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 15 4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Purchaser for the Called Shares and the Sellers' Shares were distributed to the holders of the Called Shares and the Sellers' Shares pro rata to the number of Called Shares and Sellers' Shares being sold.
- 15 5 No Drag Along Notice may require a Called Shareholder to agree to any terms except those specifically provided for in this Article 15.
- 15 6 Within five Business Days of the Proposed Purchaser serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Purchaser or as the Proposed Purchaser shall direct, together with the relevant share certificate(s) (or an indemnity for lost certificate in a form acceptable to the Directors) to the Company. On the expiration of that five Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Purchaser, the amounts they are due pursuant to Article 15 4 to the extent that the Company has received these amounts in cleared funds from the Proposed Purchaser. The Company's receipt for the amounts due pursuant to Article 15 4 shall be a good discharge to the Proposed Purchaser. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 15 4 in trust for the Called Shareholders without any obligation to pay interest.
- 15 7 To the extent that the Proposed Purchaser has not, on the expiration of such five Business Day period, put the Company in funds to pay the amounts due pursuant to Article 15 4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or an indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 15 in respect of their Shares.
- 15 8 If a Called Shareholder fails to deliver stock transfer forms and share certificates (or an indemnity) for its Shares to the Company upon the expiration of that five Business Day period, any Director is authorised to transfer the Called Shareholder's Shares as agent on the Called Shareholder's behalf to the Proposed Purchaser (or its nominee(s)) to the extent the Proposed Purchaser has, at the expiration of that five Business Day period, put the Company in funds to pay the amounts due pursuant to Article 15 4 for the Called Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Shares (or provide a suitable indemnity) to the Company. On surrender, he shall be entitled to the amount due to him pursuant to Article 15 4.



15 9 Any transfer of Shares to a Proposed Purchaser (or as they may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of Article 11

15 10 On any person, following the issue of a Drag Along Notice, becoming a Shareholder pursuant to the exercise of a pre-existing option to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a "**New Shareholder**"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice who shall then be bound to sell and transfer all Shares so acquired to the Proposed Purchaser or as the Proposed Purchaser may direct and the provisions of this Article shall apply with the necessary changes to the New Shareholder except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder

## **16. Deferred Shares**

The following provisions shall apply in relation to the Deferred Shares

16 1 The Deferred Shares (if any) shall not entitle the holders of them to receive notice of, to attend, to speak or to vote at any general meeting of the Company

16 2 The Deferred Shares shall have no entitlement to any dividend or other distribution subject to article 16 3

16 3 On a distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of Shares) only £1 of any surplus (after payment of liabilities) will be available for distribution to the entire class of Deferred Shares (which payment shall be deemed satisfied by payment to any one holder of Deferred Shares) and the holders of Deferred Shares shall have no other entitlement to participate in any such distribution

16 4 The Deferred Shares shall not have any right to participate in any pre-emptive offer of new shares or pre-emptive offer of existing shares under these articles including without limitation under articles 8 and/or 11

16 5 The Deferred Shares may be redeemed by the Company at any time at its option for £0.01 for all the Deferred Shares registered in the name of any holder without obtaining the sanction of the holder or holders and pending the transfer and/or purchase, retain the certificates (if any) in respect of them. The allotment or issue of Deferred Shares or the conversion of shares into Deferred Shares shall be deemed to confer irrevocable authority on the Company at any time after their allotment, issue or conversion to appoint any person to execute or give on behalf of the holder of those Deferred Shares

(a) an agreement to transfer and a transfer of such Deferred Shares to such person or persons as the Company may determine, and/or

(b) a consent to the cancellation of such Deferred Shares, and/or

(c) an agreement to transfer and a transfer of such Deferred Shares to such person or persons as the Company may determine as custodian thereof, and/or

(d) an agreement for the Company to purchase such Deferred Shares in accordance with the Act,

in any such case for a price being not more than an aggregate sum of one penny for all the Deferred Shares so purchased without obtaining the sanction of such holder or holders and pending such transfer and/or purchase to retain the certificates (if any) in respect thereof